G. R. S. 58]

Previous references.

Geol 79-22 (1-3) & 4-10
" 26-23 (3-18)

1924-5
Geol

File No. 111-24
Serial Nos. 1-3

Later references.

Geol 61-25 (1-4)
111-24 (4-5)
61-25 (5-9)
71-26 (1-4)

for orders
There is a confidential cover
Mlle
Preserve

GENERAL AND REVENUE SECRETARIAT. (18)

Part B for Feb 25.

SUBJECT

Letter from mr B.R. Valentine superintendent of the united steel company Ltd Skimoga requesting the grant of prospecting licens for manganese on conditions different from those laid down in G.O.R. 10/10/24

Ge 53760) 3-2-25
To Director of Geology

Sanctions the Grant of prospecting-licenses to _____

This file contains a sealed cover

D.O. No. M 113
E 1

Ger 111-24

BALLABROOIE,
HIGH GROUND,
BANGALORE

22nd December 1924

My dear Mr. Srinivasa Iyengar,

I enclose herewith a copy of letter dated 19th December 1924 from Mr. C.R. Valentine, Shimoga, which will speak for itself. Will you kindly bring the matter up as an urgent case at tomorrow's meeting of the Council so as to settle it as early as possible?

Yours sincerely,

K.R. Srinivasa Iyengar, Esq., M.A.,
Member of Council, Bangalore.

CSR.

Ecn 111-22
(2 #3851

Shimoga, 19th December 1924.

Dear Mr J.N.Banerji,

I have heard from Government that our offer of 25 per cent of nett profits which we tendered at your suggestion and which was the only alternative given to us by Government has been refused.

I therefore, again appeal to you in a final effort to point out the injustice which is being done to my firm.

It would appear as if our past 17 years of steady work of mining manganese in the proportion of 94 per cent to 6 per cent. of other companies is to be set at naught; total failture to take into consideration the amount of money in hard cash which has been thrown into the local bazaars to the extent of thousands of rupees per month; if this money is stopped through the medium of Government stopping our lateral development, then Government will have to make grants to replace it; this is entirely apart from taxes, royalties and many other charges as it is perfectly clear that a co-partnership can never be a success.

I am prepared even now to accept the scale of Royalties adopted in British India which is the right basis, this I have always agreedto.

The present position means the arbitrary taking away from us of our original concession of thirteen miles radius of Ayanur Village; this concession was the main attraction to our advent into Mysore State; furthermore the whole of the original transaction was conducted with the sanction of the British Government.

Surely if this is so, it is placing us in a very false position when the Mysore Durbar has never at any time raised any objection even up to 1922. The original understanding stood good and now at the eleventh hour they stop us in our tracks. Even in 1923 we were informed by Government that (in other words) Government had no intention to

prevent us applying for licenses within our 13 mile radius (original concession) of Ayanur village and that they would be glad to consider our applications.

Not another firm dealing or mining Manganese has helped the State as we have It is not an easy proposition to get a firm who are ready and willing to plant down Rs. 37 for every ton of ore delivered in Europe actual cost, nor is it easy to get a firm who are ready to keep standing stock to the amount of 114,000 tons as we have done in lean times to pay interest on dead money for years.

I claim that no consideration whatever has been given to the latter times. I have also pointed ~~xxx~~ this out strenuously both in conversation and correspondence it is as vital to this business as the boom time.

It must be remembered that the Manganese ores are in the ground during both boom and lean periods and when one reviews the number of people who have applied for and held licenses during the past 17 years - (many different people have held the same license in successive years) and even in normal pre-war times and in boom-times they have all, without exception, gone to the wall (except ourselves) lost everything they put into manganese, and what is the aggregate result? About 94 per cent to 6 per cent in our favour: Then, how can Government expect the small holders or any one else to live under the present conditions?

It is on this account that I earnestly request you, Sir, to review the whole of this business. It is in the interest of the State as well as the license applicants.

Yours very truly,

Sd. C.R. Valentine.

G. R. S. III-21

General and Revenue Secretariat.

Ger File No. 611

Serial No.

1) With reference to the Dewan's D.O. No.M.113. dated 22nd December 1924 enclosing copy of a letter from Mr. C.R. Valentine of Shimoga, regarding the grant of mining leases or prospecting license in respect of manganese in the area reserved for them in the Shimoga District, the previous file relating to the subject is herewith put up for the perusal of the Dewan It will be seen therefrom that the question was discussed more than once and that at the Council meeting held on the 21st August 1924, the proposal made by me in my minute dated 26th July 1924 to make an exception in the case of the United Steel Company and issue prospecting licenses to them in the area reserved for them and renew the licenses from year to year without giving the company the right to obtain a mining lease, was approved with the modification that royalty should be recovered at the prescribed rates instead of at reduced rates as suggested by me. This resolution of the Council was not given effect to, however, as subsequently it was decided to call for applications on the basis of the payment of 25 per cent of the net profits earned by the licensees in addition to royalty The United Steel Company are evidently not agreeable to take out prospecting license on the terms mentioned in the Government Order dated

Serial No.

4th October 1924 based upon the Council resolution of the 25th September 1924. In view of the fact that this company are the pioneers of the manganese industry in Mysore and that a certain area has been reserved for them all along, I am still of opinion that they deserve some exceptional treatment. I would therefore suggest that they may be given prospecting license for blocks included in the areas reserved for them on payment of the prescribed rate of royalty alone, without demanding in addition a percentage of the net profits in accordance with the recent order

Dewan

6/11/25

SM 6/11

G. S. III-2a]

6

DEWAN'S MINUTE.

General and Revenue Secretariat — Genl — File No. 111 — 1924-25

Date of submission	Date of Return	Date of issue of orders in the Secretariat	Remarks

1) I agree with the Member. A Final Note may be kindly put up to obtain His Highness' sanction as this will be a departure from the present policy. It is presumed that no reduction in the royalty will be allowed.

9 JAN 1925

166

11 Sm

9.1.25

2) Final note by the Member is placed below.

3) 16/1 PC Dewan Khan Regt.

Submission a/cs Pay. 16.1.25

5)

Final Note by the Second Member of Council

Subject:—

Letter from Mr. C.R. Valentine, Superintendent of the United Steel Company, Ltd., Shimoga, requesting the grant of prospecting licenses for manganese on conditions different from those laid down in Govt. Order No.I.C.2480-91/Geol.49-24-3 dated 10th Octr. 1924.

6/ The United Steel Company, Ltd. of Shimoga is the pioneer of the manganese industry in the State and has been engaged in the industry for the past 17 years In the earlier years of the company's existence, Government granted them special concessions and even reserved for them the area within a radius of 13 miles from Ayanur in the Shimoga District. (G.O. No.1292-1340 dated 4th Decr. 1906.) This reservation was re-established in their favour in July 1919 subject to the conditions specified in the Chief Secretary's letter No. G.2318/36-18-14 dated 20th July 1919 to the Director of Geology with the exception of the area of one mile all round Beconahalli which was reserved exclusively for Government When manganese and other ores throughout the State were reserved for Government in their order No. I. & C.4728-34/Geol.47-22-8 dated 29th January 1923, the company in their letter dated 6th February 1923 made a representation that they should not be deprived of the prescriptive right that had been conceded to them over the area specified above; and they were given an assurance in the General Secretary's letter No. I. & C.5396 dated 28th February 1923 that Government had no intention of depriving them of their claims to be given preferential treatment in the grant of prospecting - - licenses and mining leases in the said area and that would consider any application for licenses and leases as and when they were received from the company. In view of the above assurance of preferential treatment being accorded to this company, when the question of the continuance or otherwise of the restriction placed in January 1923 on the exploitation of manganese was under consideration, I recorded in my minute dated -

49-22-2

26th July 1924 that while the reservation of this mineral might be 4 continued, an exception might be made in the case of this company and that prospecting licenses might be issued over the area reserved for them and renewed from year to year for a period of 3 years subject to the condition that the licenses will not carry with them a right to mining leases and that Government should have the first right to purchase the ore exploited at the market price, if required by them. The above proposals were approved also at the meeting of the Council held on 21st August 1924 but were not given effect to as, after a further consideration of the question, for reasons set forth in my Final Note dated 27th September 1924, the restriction in respect of the reservation of the mineral was relaxed and Order No. I dd. 2689/Genl. 49-24-38/14-10-1924 issued inviting applications on the basis of the payment by the licensees to Government of not less than 25 per cent of the net profits in addition to the royalty The United Steel Company are not however, agreeable to prospect for the ore on profit-showing basis as above and request in their letter dated 19th December 1924 special treatment. In view of the fact that this company is, as stated above, the pioneer of the manganese industry in the State and that certain areas have all along been reserved for them, I am of opinion that they deserve some exceptional treatment and may therefore be given prospecting licenses for blocks in the areas reserved for them on payment of the prescribed rate of royalty alone without demanding in addition a percentage of the net profits in accordance with the order of Oct. 1924 and the Dewan agrees with me.

7) I solicit that the above proposals may be graciously approved.

SECOND MEMBER OF COUNCIL.

16/1

Submitted to His Highness

I submit herewith for His Highness' gracious approval, a Final Note put up by the Second Member of Council on the subject of the grant of prospecting licenses for manganese to the United Steel Co., Ltd., Shimoga.

Bangalore,
17th Jany. 1925.

17 JAN 1925

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

9) Grant of prospecting licenses for manganese to the United Steel Co Ltd., Shimoga.

10) *Order*

~~KRM~~

19/1/25

11) Rev. Sec. The question of the rate of royalty may be gone into once more

20 JAN 192[illegible]

20/1

12) For perusal—
I have limited it to the areas in which the General Secretary to Govt has granted licenses of Manganese royalty rates is discussed in

Serial No.

Draft Subd the file re reinstatement of
15 Jan 23/1/25 invalid & finally is separated & Subd
separately as per Members order

16) for appln as obtn
Rev Subd) above.

17) for Appl

5-89
26.1.25

II My

18) Appn

19) Before the is a Dam
for permit upon which
the reference to the Dam
must overlap, date 20 min
the file containing the min
on the rate of royalty in
mang ores is limited

20) The prospecting licenses may contain a clause that Govt. will be at liberty to revise the rates of royalty as they may deem fit from time to time

Serial No.

The Director of Geol.

No. C. 5376 of 372

Sanctions subject to the revision of Rate of Royalty from time to time the grant of P.L.s for manganese ore in area held under their ODS licenses Nos 590 and 591 on payment of the prescribed Rate of Royalty alone without any additional Rel. profit as required in para 2 (c) of G.O 54/10/24

To

The Supdt. United Steel Co

No. C. 5377 of 372

Copy of the above

3

From

The Supdt the United Steel Companies Ltd

Letter dt. 4-2-1925 forwarding States that they are thankful for the sanction accorded to their application for the revision of the Govt. Order conveyed to them with endorsement of 3.2.25

Your noting on next sheet

(W) for orders

7-2-25

(W) May be filed

(W) Put up

(W) 11/2

Explanation

12/2/25

GEN. & REV. SECRETARY

12 FEB 1925

BRANCH

ECT.... . .....

....

....

No. of letter replied to..... .....

al and Revenue Secretariat

( )

the *192*

Section Geo-C

File No. III-24

Serial No. 2

Proceedings of the Government of
His Highness the Maharaja of Mysore

Gcd 26-23-17

Read—

1) letter No. 3144 & 3 18/11/24 from the Rev. Secy to Government to the Dist J Govt stating that application was received from the United Steel Company for the grant J prospecting licence over certain areas & for them Council be entertained & unless the ore could under the present rules

~~Order Thereon~~ No.

J 4 dt 2 October 1924

2) letter dated 19.12.24 from the Valentine Steel Co requesting that

WB
VA

Reg Officer
Rec'd Sheffield

20 No/C 5377

Messrs Wm Jessop & Sons Ltd

Copy forwarded to the
Orlest United Steel Company
with reference to their
application of 19.12.20

By order
of the
Reg Officer
Rec'd Sheffield

WB
VA

20

G.R.S. III—3]

Routine Notes.

33465

THE UNITED STEEL COMPANIES. LIMITED

WORKINGTON IRON AND STEEL BRANCH.

(NEW MYSORE MANGANESE DEPARTMENT.)

(7)

S 3925

TELEGRAPHIC ADDRESS:
"WORKINGTON, SHIMOGA."
BENTLEY'S CODE.
CODE: 6TH EDITION A.B.C.
5-LETTER.

REV. DEPT. *Shimoga*, 4th February 1925
(M. & S.M.R.)

Geol III-24-3

J-C The Secretary to Government
of His Highness The Maharaja of Mysore,

5 FEB 1925

Revenue Department,

B A N G A L O R E.

Sir,

I have the honour to acknowledge receipt of your Memo No. I.C. 5377 dated the 3rd instant and contents noted.

This Company is more than obliged to His Highness's Government for the just recognition of their preferential claim to the areas originally reserved for their original concession around Ayanur village.

I also have to thank you for the return of the Royalty basis and I agree to the condition that Licensees shall pay revised Royalties as Government deem fit as we know and feel that Government will be fair in their dealings compatible with the trade. A study of the ground will now be made and Licenses will be applied for in due course. The reason for this survey is to save Government's time which will be wasted if the ground is non productive.

SUMMARY. If as we understand the reading of the most recent Government's order we consider that the income side of the question to Government will be one of increase and not decrease as Order No.I.C. 5396 - Geol 79-22-2 dated 28-2-1923 would inevitably mean and